

Message Text

SECRET

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ACTION PM-05

INFO OCT-01 EA-10 ISO-00 OMB-01 TRSE-00 CIAE-00 INR-10
NSAE-00 NSC-05 SP-02 SS-15 ACDA-12 MCE-00 EB-08
AID-05 /074 W
-----064201 150302Z /14

P R 150214Z JUN 78
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC PRIORITY 1651
INFO AMEMBASSY TOKYO
CINCPAC
SECDEF WASHDC
COMUSFORCES KOREA

S E C R E T SECTION 1 OF 2 SEOUL 5064

CINCPAC FOR POLAD

E.O. 11652: XGDS-3
TAGS: MPOL, KS, US
SUBJ: US ASSISTANCE TO ROK DEFENSE INDUSTRIES

REF: 77 SEOUL 9311

SUMMARY: I HAVE PREVIOUSLY RECOMMENDED SELECTIVE US
ASSISTANCE TO ROK DEFENSE INDUSTRIES. WITH THIS CABLE, I
AM MAKING AN INTERIM REPORT ON THE STATUS OF THAT ASSISTANCE.
IN ESSENCE, I HAVE CONCLUDED THAT OUR ACTIONS OF THE LAST
SIX MONTHS ARE BEARING SUBSTANTIAL DIVIDENDS. END SUMMARY.

2. IN REFTEL, I RECOMMENDED THAT WE ESTABLISH A POLICY FOR
SELECTIVE ASSISTANCE TO ROK DEFENSE INDUSTRIES WHICH WOULD
BE DESIGNED TO "STRENGTHEN KOREAN SELF-DEFENSE CAPABILITIES
WITHOUT CREATING UNNECESSARY PROBLEMS FOR ALL OF OUR
SECURITY INTERESTS" AND WHICH WOULD SIMULTANEOUSLY PROVIDE THE
ROK WITH THE NECESSARY REASSURANCES ABOUT THE PERMANENCE
OF THE US COMMITMENT TO ITS DEFENSE. SPECIFICALLY, I

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RECOMMENDED THAT "WE CAN SELECT A CERTAIN NUMBER OF
PROJECTS IN WHICH WE WOULD FULLY COOPERATE AND THEN INFORM
THE AGENCY FOR DEFENSE DEVELOPMENT THAT WE COULD NOT
SUPPORT THEM IN OTHER AREAS." I RECOMMENDED THAT CERTAIN
CRITERIA BE USED WHICH ARE ALL LISTED IN REFTEL.

2. IT SEEMS TO ME THAT THE POLICY OF SELECTIVE ASSISTANCE

HAS, IN FACT, BEEN IMPLEMENTED WITH MUCH OF THE CREDIT DUE TO UNDER SECRETARY PERRY AND HIS COLLEAGUES, AS WELL AS OTHER US OFFICIALS IN WASHINGTON. BEFORE COMPLETING MY TOUR HERE, I THOUGHT IT WOULD BE USEFUL TO PROVIDE AN INTERIM REPORT ON THE STATUS OF THIS PARTICULAR POLICY.

3. AT THIS MOMENT, I WOULD SAY THAT THE MOST STRIKING SUCCESS HAS BEEN ACHIEVED THROUGH THE ASSISTANCE WE ARE PROVIDING IN THE SELECTION OF A KOREAN INDIGENOUS TANK. ALTHOUGH THE FINAL DETERMINATION HAS NOT YET BEEN MADE, IT APPEARS THAT ROK WILL NOT ONLY SELECT A TANK WHICH WILL BE MILITARILY USEFUL IN KOREA, BUT HAS ALSO DISCARDED THE POSSIBILITY OF A LEOPOLD TANK PRODUCTION, THEREBY GREATLY EASING THE FUTURE LOGISTICS PROBLEMS. CHAIRMAN CHUNG OF HYUNDAI TOLD ME RECENTLY THAT HE INTENDS TO SELECT TWO AMERICAN MANUFACTURERS FOR THE FINAL COMPETITION AND THAT PRESIDENT PARK IS VERY PLEASED WITH THE ASSISTANCE BEING PROVIDED BY US GOVERNMENT AND MANUFACTURERS.

4. ON JUNE 9TH, DR SHIM, PRESIDENT OF ADD, TOOK THE OPPORTUNITY TO SHOW CHIEF, JUSMAG-K, AND HIS STAFF TV TAPES OF NIKE/HERCULES TEST FLIGHTS OF JUNE 3 AND 4. THE 4TH OF JUNE FLIGHT CONTAINED THE ROK-DESIGNED, SOLID-STATE GUIDANCE PACKAGE. HE ALSO INVITED GENERAL GRIFFITH AND HIS STAFF TO OBSERVE THE NEXT FLIGHT TEST SCHEDULED FOR JUNE 22. HOWEVER, PERHAPS MOST IMPORTANTLY, DR
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SHIM STATED THAT HE WAS AWARE OF OUR CONCERNS ON THE EXTENSION OF THE RANGE OF THE NIKE/HERCULES MISSILE BEYOND 180 KILOMETERS AND THAT SUCH EXTENSION WAS NOT PART OF HIS PROGRAM. SUCH OPENNESS IS CERTAINLY NEW FOR ADD.

5. IN LATE MAY, JUSMAG-K PARTICIPATED IN ASSESSING QUALITY ASSURANCE PROGRAMS AND PROCEDURES IN SELECTED KEY DEFENSE INDUSTRIES. THE US PARTICIPANTS WERE ACCORDED FULL AND EQUAL STATUS AS TEAM MEMBERS AND PERMITTED TO PURSUE PROBLEM AREAS WITHOUT RESTRICTION.

6. WE HAVE REASON TO BELIEVE THAT IN VIEW OF THE INCREASING CONFIDENCE ROKG SEEMS TO BE HAVING IN OUR SUPPORT, IT HAS NOW REACHED THE DECISION TO PRODUCE WEAPON SYSTEMS ONLY WHERE LOCAL PRODUCTION MORE ECONOMICAL THAN OFF-SHORE PROCUREMENT.

7. COMMENT: ALTHOUGH THIS IS ONLY FRAGMENTARY EVIDENCE, WE DETECT A CHANGE IN THE ROK PERCEPTION OF US ASSISTANCE AND INTENTIONS. DR SHIM'S RECENT TRIP TO THE STATES WAS USEFUL IN ITSELF AND HAS HAD THE ADDED

BENEFIT OF ENABLING US NOW TO DISCUSS OUR CONCERNS FULLY AND FRANKLY WITH APPROPRIATE ROK OFFICIALS. FOR EXAMPLE, DCM TOOK THE OPPORTUNITY TO BRIEF O WON CHOL, BLUE HOUSE SECOND SECRETARY FOR ECONOMIC AFFAIRS, ON US CONCERN WITH POTENTIAL ROK-THIRD COUNTRY SALES. HE ALSO DISCUSSED THE ISSUE OF THE RANGE OF MISSILES. IN NEITHER CASE DID O INDICATE ANY DISTRESS WITH THE US POSITION AND, IN FACT, SUGGESTED THAT NEITHER ISSUE CREATED PROBLEMS FOR THE ROKG. THIS ATTITUDE, WHICH WE HAVE NOTICED IN OTHER ROK OFFICIALS, SUGGESTS THAT THE KOREAN GOVERNMENT IS NOT ONLY APPRECIATIVE OF THE EFFORTS WE HAVE EXTENDED RECENTLY, BUT IS ALSO GAINING IN CONFIDENCE THAT THE US IS A RELIABLE PARTNER, AT LEAST IN CERTAIN SELECTED DEFENSE AREAS. WE ARE NOTICING MUCH GREATER
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OPENNESS ON THE PART OF THE ROK AND A WILLINGNESS TO DISCUSS ISSUES WHICH HAVE PREVIOUSLY BEEN KEPT OFF THE AGENDA (IN ADDITION TO THE ONES MENTIONED ABOVE, THE PROCUREMENT OF SUBMARINES IS ANOTHER GOOD ILLUSTRATION OF THIS NEW PHENOMENON).

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S E C R E T SECTION 2 OF 2 SEOUL 5064

CINCPAC ALSO FOR POLAD

8. THERE IS ONE FURTHER INDICATOR OF THE SUCCESS OF OUR POLICY. IN COMPARING THE AGENDA THAT DR. SHIM WAS HOPING TO DISCUSS IN WASHINGTON WITH THE ACTUAL TOPICS THAT WERE MENTIONED, WE FIND THAT A LARGE NUMBER OF EXTRANEIOUS ISSUES FELL BY THE WAYSIDE AND THAT THE FOCUS OF THE WASHINGTON DISCUSSION WAS ON THE ESSENTIAL PROGRAMS. THIS SUGGESTS THAT WE ARE ABLE, THROUGH A COOPERATIVE APPROACH, TO STEER ROK ACTIVITIES INTO WORTHWHILE ENDEAVORS.

9. OF COURSE, THE JURY'S VERDICT ON THIS ISSUE CANNOT YET BE RENDERED. HOWEVER, I FEEL THAT WE HAVE SUFFICIENT INDICATORS TO SUGGEST THAT WE ARE ON THE RIGHT TRACK AND THAT OUR SELECTIVE APPROACH TO ASSISTANCE TO ROK DEFENSE INDUSTRIES IS CORRECT. I THEREFORE URGE THAT WE CONTINUE OUR DIRECTION AND THAT WE DEVOTE OUR MAXIMUM EFFORTS TO THE ACCOMPLISHMENT OF THE PROGRAM ESTABLISHED BY DR. PERRY. I AM STILL CONVINCED THAT SUCH EFFORTS WILL PAY MAJOR DIVIDENDS NOT ONLY IN TERMS OF PROVIDING
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ROK WITH AN ESSENTIAL DEFENSE CAPABILITY, BUT ALSO AS A MEANS TO REESTABLISH A CLOSE POLITICAL RELATIONSHIP THAT HAS BEEN FRAYED OVER THE LAST 18 MONTHS BY A LARGE NUMBER OF CONTENTIOUS ISSUES.
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